

## KEY FINANCIAL DATA

(\$ in millions)

INCOME STATEMENT	Three months ended December 31,		Year-Ended December 31,	
	2024	2023	2024	2023
Net interest income	\$ 505	\$ 476	\$ 1,936	\$ 1,847
Provision for credit losses	43	6	49	76
Noninterest income	117	144	482	459
Operating expenses	160	163	597	595
Provision for income taxes	21	32	137	128
Net income	398	419	1,635	1,507

BALANCE SHEET (period-end)	December 31, 2024		December 31, 2023	
Total loans	\$ 158,859	\$ 158,859	\$ 148,015	\$ 148,015
Total assets	208,574	208,574	194,359	194,359
Shareholders' equity	12,862	12,862	11,193	11,193

PROFITABILITY METRICS	Three months ended December 31,		Year-Ended December 31,	
	2024	2023	2024	2023
Net interest margin	1.01 %	1.01 %	1.00 %	0.99 %
Return on average common equity	13.82 %	17.38 %	15.05 %	15.78 %
Return on average assets	0.78 %	0.88 %	0.84 %	0.80 %
Operating expense ratio (excluding insurance fund premiums)	24.68 %	24.16 %	23.63 %	21.82 %

## HIGHLIGHTS

- Average loans increased 7% year-over-year in Q4 and 6% for the full year. Loans outstanding totaled \$158.9 billion at December 31, 2024
  - Increase in year-over-year Q4 average loans across all three operating segments
  - Growth in full year average loans in our Farm Credit Banking and Rural Infrastructure operating segments, partially offset by a decline in lending in our Agribusiness operating segment
- Net income for the year rose 9% to \$1.635 billion in 2024 compared to \$1.507 billion in 2023, primarily from higher net interest income and noninterest income and a lower provision for credit losses, partially offset by higher income taxes
  - Net income decreased 5% to \$398 million in Q4 2024 compared to \$419 million in Q4 2023, primarily from a higher provision for credit losses and lower noninterest income, partially offset by higher net interest income
- Net interest income for the year increased 5% to \$1.936 billion in 2024 from \$1.847 billion in 2023, driven by higher average loans
  - Net interest income increased 6% to \$505 million in Q4 2024 from \$476 million in Q4 2023, mostly due to growth in average loans
- Net interest margin for the full year increased to 1.00% in 2024, compared to 0.99% in 2023
- Provision for credit losses for the year was \$49 million in 2024, compared to \$76 million in 2023. The decrease resulted from improvements in macroeconomic forecasts, partially offset by credit quality deterioration within certain sectors of our Agribusiness and Rural Infrastructure operating segments and increased lending activity
  - Provision for credit losses was \$43 million in Q4 2024, compared to \$6 million in Q4 2023. The increase primarily resulted from credit quality deterioration within certain sectors of our Agribusiness operating segment
- Noninterest income for the year increased \$23 million in 2024 from 2023 primarily due to a \$25 million return of excess insurance funds from the Farm Credit System Insurance Corporation, higher patronage income and increased loan-related fee income, partially offset by one-time income from a favorable resolution of a contractual business dispute in 2023
  - Noninterest income decreased \$27 million in Q4 2024, largely due to one-time noninterest income in the Q4 2023 period, as described above
- Operating expenses for the year increased \$2 million in 2024 from 2023, primarily due to higher employee compensation and information services costs mostly offset by a decrease in Farm Credit Insurance Fund premium expense
  - Operating expenses decreased \$3 million in Q4 2024 compared to Q4 2023, primarily from a decrease in Insurance Fund premium expense
- Capital and liquidity levels remain strong and were in excess of regulatory minimums as of December 31, 2024
  - Total capital increased to \$12.9 billion primarily from earnings, issuances of preferred stock, and a decrease in accumulated other comprehensive loss, partially offset by accrued patronage
  - Total capital ratio was 14.39%, compared with the 8.0% minimum
  - 182 days of liquidity, compared with the 90-day minimum
- Patronage distributions for 2024 will total \$1.032 billion
  - Includes special patronage of \$110 million for 2024

## MANAGEMENT COMMENTARY

“CoBank’s financial performance in 2024 was the best in our history across a range of performance measures. Average loans reached an all-time high and we achieved record net income while maintaining solid credit quality. For the first time, CoBank’s patronage distributions will exceed \$1 billion for the year – delivering an exceptional level of value for our customer-owners that we finance across rural America.

The bank also made substantial progress during the year against a wide range of business and operational strategic objectives as we evolve to best serve our customer-owners. We are proud of our results for 2024 and the strength of our business as we continue to serve our customers and fulfill our mission of service to rural America in the years ahead.”

– Thomas Halverson, CEO

## OPERATING SEGMENTS

(\$ in millions)

Three months ended December 31,	Agribusiness		Rural Infrastructure		Farm Credit Banking		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Average loan volume	\$ 39,741	\$ 37,961	\$ 33,866	\$ 31,530	\$ 81,873	\$ 75,609	\$ 155,480	\$ 145,100
Net income	153	202	167	147	78	70	398	419

  

Year-Ended December 31,	2024	2023	2024	2023	2024	2023	2024	2023
Average loan volume	\$ 38,870	\$ 40,044	\$ 33,325	\$ 30,215	\$ 79,272	\$ 72,816	\$ 151,467	\$ 143,075
Net income	714	731	622	495	299	281	1,635	1,507

  

Period-end loan volume	December 31, 2024 and December 31, 2023							
	\$ 40,463	\$ 37,785	\$ 34,337	\$ 32,572	\$ 84,059	\$ 77,658	\$ 158,859	\$ 148,015

## NET INTEREST INCOME AND NET INTEREST MARGIN

Net interest income increased \$89 million, or 5%, to \$1.936 billion in 2024, compared to \$1.847 billion in 2023. The increase in net interest income was primarily driven by higher average loans and an increase in non-interest bearing funding sources (principally capital). Net interest margin increased to 1.00 percent for 2024 compared to 0.99 percent for 2023. The increase in net interest margin was primarily driven by an increase in non-interest bearing funding sources (principally capital) largely offset by lower interest rate spread from increased funding costs and changes in asset mix including increased lending to affiliated Associations.

### Net Interest Margin and Net Interest Income

Year Ended	December 31, 2024			December 31, 2023		
	Average Balance	Average Rate	Interest Income/Expense	Average Balance	Average Rate	Interest Income/Expense
(\$ in millions)						
<b>Interest earning assets</b>						
Loans	\$ 151,467	5.40 %	\$ 8,177	\$ 143,075	5.08 %	\$ 7,266
Investments	38,895	3.92 %	1,526	34,957	3.64 %	1,274
Federal funds sold and other overnight funds	2,382	5.25 %	125	7,783	5.05 %	393
<b>Total</b>	<b>192,744</b>	<b>5.10 %</b>	<b>9,828</b>	<b>185,815</b>	<b>4.81 %</b>	<b>8,933</b>
<b>Interest bearing liabilities</b>	<b>179,364</b>	<b>4.40 %</b>	<b>7,892</b>	<b>173,833</b>	<b>4.08 %</b>	<b>7,086</b>
<b>Interest rate spread</b>		<b>0.70 %</b>			<b>0.73 %</b>	
Impact of equity financing	11,989	0.30 %		10,582	0.26 %	
<b>Net interest margin &amp; net interest income</b>		<b>1.00 %</b>	<b>\$ 1,936</b>		<b>0.99 %</b>	<b>\$ 1,847</b>

## CREDIT QUALITY

Notwithstanding some credit quality deterioration, our overall loan quality measures remain solid at December 31, 2024. Special Mention loans were 1.34 percent of total loans at December 31, 2024 compared to 2.34 percent of total loans at December 31, 2023. The improvement in Special Mention loans was primarily in our Farm Credit Banking operating segment and resulted from the fourth quarter 2024 upgrades to Acceptable status of a wholesale loan to one of our affiliated Associations and a participation in a wholesale loan made to a nonaffiliated Association. The level of adversely classified loans ("Substandard", "Doubtful" and "Loss") as a percent of total loans increased to 0.84 percent at December 31, 2024, compared to 0.74 percent at December 31, 2023 primarily due to customers in our Agribusiness and Rural Infrastructure operating segments that transferred to Substandard status. We believe credit quality deterioration in the future is possible due to market factors impacting our customers. Such factors include an ongoing volatile agricultural commodity price environment, labor shortages, inflation, higher interest rates, weather related events, economic, trade and global uncertainties, as well as the war in Ukraine and instability in the Middle East. In addition, concentrations within our loan portfolio can cause the level of our loan quality, nonaccrual loans, charge-offs and provisions for credit losses or credit loss reversals to vary significantly from period to period.

### Loan Quality Ratios

	December 31, 2024			December 31, 2023		
	Wholesale Loans	Commercial Loans	Total	Wholesale Loans	Commercial Loans	Total
Acceptable	100.00 %	95.39 %	97.82 %	97.80 %	95.94 %	96.92 %
Special Mention	—	2.84 %	1.34 %	2.20 %	2.51 %	2.34 %
Substandard	—	1.71 %	0.81 %	—	1.55 %	0.74 %
Doubtful	—	0.06 %	0.03 %	—	—	—
Loss	—	—	—	—	—	—
<b>Total</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>100.00 %</b>

## BALANCE SHEET INFORMATION

(period-end)	December 31, 2024		December 31, 2023	
	(Unaudited)			
(\$ in millions)				
Loans	\$	158,859	\$	148,015
Less: Allowance for loan losses		733		730
Net loans		158,126		147,285
Cash and cash equivalents		823		1,013
Federal funds sold and other overnight funds		3,490		4,615
Investment Securities (net of allowance of \$1 million and \$3 million at December 31, 2024 and 2023)		43,407		38,343
Accrued interest receivable		1,077		1,038
Interest rate swaps and other derivatives		464		812
Other assets		1,187		1,253
Total assets	\$	208,574	\$	194,359
Bonds and notes	\$	191,621	\$	178,821
Accrued interest payable		1,356		1,396
Interest rate swaps and other derivatives		702		833
Reserve for unfunded commitments		59		84
Patronage payable		900		831
Other liabilities		1,074		1,201
Total liabilities		195,712		183,166
Shareholders' equity		12,862		11,193
Total liabilities and shareholders' equity	\$	208,574	\$	194,359

## STATEMENT OF INCOME INFORMATION

(\$ in millions)	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
	(Unaudited)		(Unaudited)	
Interest income	\$	2,457	\$	2,392
Interest expense		1,952		1,916
Net interest income		505		476
Provision for credit losses		43		6
Net interest income after provision for credit losses		462		470
Noninterest income		117		144
Operating expenses		160		163
Provision for income taxes		21		32
Net income	\$	398	\$	419
			\$	1,635
			\$	1,507

## 2024 EARNINGS WEBCAST AND CONFERENCE CALL

The bank will hold its annual year-end earnings conference call and webcast at 12:30 pm Mountain Time on Friday, February 28, 2025. The 60-minute call will feature a presentation of 2024 financial highlights and remarks from CoBank Chief Executive Officer Thomas Halverson, Chief Financial Officer Sean Burke and Board Chair Kevin Still. Customer-owners and other participants will be able to submit questions during the call.

To join the earnings call, visit <https://www.cobank.com/2024EarningsWebinar>.

## CUSTOMER MEETINGS

CoBank will provide more information about its 2024 financial results at its annual series of regional customer meetings, which take place in February, March and April 2025. Managers and directors of any CoBank borrower are invited to attend these meetings, as are representatives of Farm Credit institutions.

For details about the meeting program, please visit the bank's events page at [www.cobank.com/events](http://www.cobank.com/events). Please note that more details and registration are available for each meeting approximately four weeks prior to the meeting date.

## ABOUT COBANK

CoBank is a cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. The bank also provides wholesale loans and other financial services to affiliated Farm Credit associations serving more than 78,000 farmers, ranchers and other rural borrowers in 23 states around the country. CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture, rural infrastructure and rural communities. Headquartered outside Denver, Colorado, CoBank serves customers from regional banking centers across the U.S. and also maintains an international representative office in Singapore.

## FORWARD-LOOKING STATEMENTS

Certain of the statements contained in this news release that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Our actual results may differ materially and adversely from our expectations expressed in any forward-looking statements. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "estimate," "plan," "project," "target," "may," "will," "should," "would," "could," or similar expressions. Although we believe that the information expressed or implied in such forward-looking statements is reasonable, we can give no assurance that such projections and expectations will be realized or the extent to which a particular plan, projection or expectation may be realized.

These forward-looking statements are based on current knowledge and subject to risks and uncertainties. We encourage you to read our Annual Report and Quarterly Reports located on the bank's website at [www.cobank.com](http://www.cobank.com). We undertake no obligation to revise or publicly update our forward-looking statements for any reason.

For more information about CoBank, visit [www.cobank.com](http://www.cobank.com).

## MEDIA CONTACTS

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